

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
PUBLIC UTILITIES COMMISSION)
)
Instituting a Proceeding to Investigate)
Implementing a Decoupling Mechanism for)
Hawaiian Electric Company, Inc., Hawaii)
Electric Light Company, Inc., and Maui)
Electric Company, Limited.)
)
_____)

DOCKET NO. 2008-0274

PUBLIC UTILITIES
COMMISSION

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FILED

TAWHIRI POWER LLC'S
MOTION TO INTERVENE,
DECLARATION OF COUNSEL, VERIFICATION
AND
CERTIFICATE OF SERVICE

SANDRA-ANN Y.H. WONG
ATTORNEY AT LAW, A LAW CORPORATION
1050 Bishop Street, #514
Honolulu, Hawaii 96813
Telephone No. (808) 537-2598

HARLAN Y. KIMURA
ATTORNEY AT LAW, A LAW CORPORATION
Central Pacific Plaza
220 South King Street, Suite 1660
Honolulu, Hawaii 96813
Telephone No. (808) 521-4134

Attorneys for Tawhiri Power LLC

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TAWHIRI POWER LLC'S MOTION TO INTERVENE

TO THE HONORABLE PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII:

MOVANT, TAWHIRI POWER LLC, a Delaware limited liability company ("Movant") hereby moves the Hawaii Public Utilities Commission ("Commission") for an order allowing Movant to intervene as a party, pursuant to Hawaii Revised Statutes § 269-6 and §§ 6-61-41 and 6-61-55 of the Rules of Practice and Procedure before the Public Utilities Commission, Chapter 61 of Title 6 of the Hawaii Administrative Rules ("HAR").

Movant's substantial interests in this Docket are unique and will not be fully and adequately represented unless Movant is allowed to intervene on its own behalf. In addition, Movant has the experience and background to greatly assist the Commission in developing a sound evidentiary record and a Decoupling Mechanism that meets the objectives of the comprehensive agreement entered into on October 20, 2008 by the Governor of the State of Hawaii, the State of Hawaii Department of Business, Economic Development and Tourism, the State of Hawaii Division of Consumer Advocacy of the Department of Commerce and Consumer

Affairs and the Hawaiian Electric Companies ("Comprehensive Agreement").¹ In support of this Motion, Movant states as follows:

1. Procedural History of this Docket.

The Commission initiated this docket by its Order Initiating Investigation filed on October 24, 2008 to address the issues related to implementation of a decoupling mechanism ("Decoupling Mechanism") for the HECO Companies ("Order").² In the Order, the Commission named the HECO Companies and the Consumer Advocate as parties to the proceeding and invited any interested individual, entity, agency, or community or business organization, to file a motion to intervene or participate without intervention in the Docket pursuant to HAR Chapter 6-61.³

It is Movant's understanding that no action has commenced in this Docket.

2. Information Concerning Movant.

Movant is a Delaware limited liability company. Movant is a Qualifying Facility ("QF") that has a Power Purchase Agreement with Hawaii Electric Light Company, Inc.⁴ Movant's full name and business address is as follows:

¹ See Order Initiating Investigation in Docket No. 2008-0274. "Hawaii Electric Companies" or "HECO Companies" collectively refer to Hawaiian Electric Company, Inc., Maui Electric Company, Limited, and Hawaii Electric Light Company, Inc. **The Commission did not provide Public Notice of this Docket until October 29, 2008.**

² Id.

³ Id.

⁴ See The Restated and Amended Power Purchase Contract for As-Available Energy between Hawaii Electric Light Company, Inc. and Apollo Energy Corporation, dated October 13, 2004 (the "RAC"). The RAC was approved by the Commission in Docket No. 04-0346, In the Matter of the Application of Hawaii Electric Light Company, Inc. for Approval of a Restated and Amended Power Purchase Contract with Apollo Energy Corporation, and a Commission determination that the HELCO-Owned Interconnection Facilities can be constructed above the surface of the ground, pursuant to Hawaii Revised Statutes sec. 269-27.6(a). On December 5, 2005, Apollo Energy Corporation's interest under the RAC was assigned to Movant. Consequently, Movant has replaced Apollo Energy Corporation ("Apollo Energy") as a party to the RAC.

Tawhiri Power LLC
551 Pilgrim Drive, Suite D
Foster City, California 94404

All correspondence related to this Docket should be sent to:

Sandra-Ann Y.H. Young
Attorney at Law, A Law Corporation
1050 Bishop Street, #514
Honolulu, Hawaii 96813

Harlan Y. Kimura
Attorney at Law, A Law Corporation
Central Pacific Plaza
220 South King Street, Suite 1660
Honolulu, Hawaii 96813

and

Mr. Anthony B. Pace
Tawhiri Power LLC
551 Pilgrim Drive, Suite D
Foster City, California 94404

3. Nature of Movant's Rights.

The Commission in initiating this investigation has invited any interested individual, entity, agency, or community or business organization, to file a motion to intervene or participate without intervention in this Docket. Movant is a QF that sells its wind-generated energy to Hawaii Electric Light Company, Inc. ("HELCO") pursuant to the terms and conditions of the RAC.⁵ Therefore, Movant qualifies as an interested entity and may intervene in this Docket.

4. Nature and Extent of Movant's Property, Financial, or Other Interest.

Movant is a QF that sells its wind generation to HELCO under the RAC.⁶ Pursuant to the terms of the same, Movant is contractually obligated to provide HELCO with energy until 2027

⁵ Id.

⁶ Id.

from its Pakini Nui Wind Farm.

The instant Docket may adversely affect Movant's property and financial rights because the Decoupling Mechanism may: (a) shift some of the accounting risks and losses to Independent Power Producers ("IPPs") such as Movant should the collection losses and/or administration costs be allocated to them; (b) serve as a disincentive for the HECO Companies to acquire additional renewable energy from IPPs depending upon the economic considerations integrated therein; and (iii) decrease revenues and increase risks for IPPs with Power Purchase Agreements ("PPAs") if the transmission and distribution energy losses are assigned to them. Therefore, Movant should be granted intervention to protect its property and financial rights.

5. The Effect of the Pending Order as to Movant's Interests.

If the Commission implements a decoupling mechanism which would increase the risks and losses to IPPs, and also serve as a disincentive for the HECO Companies to secure more renewable energy from IPPs, such a decoupling mechanism would have a direct and immediate adverse affect on Movant and therefore, negatively affect its ability to maintain a viable business in Hawaii and do violence to the purposes and intent of the Comprehensive Agreement. In other words, the HECO Companies' commitment "to integrating the maximum attainable amount of wind energy on their systems" would be sabotaged by such a decoupling mechanism.⁷

6. Other Means Available Whereby Movant's Interests May be Protected.

Movant has no other means but intervention to protect its unique property and financial interests. To not grant Movant's Motion to Intervene would deny it of its due process rights.

⁷ See Comprehensive Agreement at 3.

7. Extent to Which Movant's Interests Would be Represented by Existing Parties.

The Movant's interests cannot be fully represented by any of the existing parties in the Docket because none of those parties share the same property and financial interests as Movant. Neither the HECO Companies nor the Consumer Advocate currently has a PPA to provide energy to a regulated utility. They clearly do not share Movant's interest in protecting its property and financial interests to ensure that it may continue to provide renewable wind energy to HELCO in an economically viable manner and to promote wind energy in the State of Hawaii.

8. Movant's Intervention Will Assist in the Development of a Sound Evidentiary Record.

Movant has provided HELCO with renewable wind energy since 2007 and, thus, possesses the experience and background needed to assist the Commission in developing a sound and accurate evidentiary record. Consequently, permitting Movant to intervene would ensure the Commission's decisions being just and reasonable, and meet the objectives of the Comprehensive Agreement to promote wind energy in Hawaii.⁸

9. Extent to Which the Movant's Intervention Would Broaden the Issues or Delay the Proceedings.

Movant's intervention will not unduly broaden the issues or unduly delay the proceedings. In fact, Movant offers a unique perspective to this Docket because: (a) it has been providing HELCO with renewable wind energy since 2007; (b) its Managing Member, Apollo Energy, has been a part of the renewable wind energy community in Hawaii since 1994⁹; and (c)

⁸ Movant's predecessor (i.e. Apollo Energy) began negotiations with HELCO to provide wind power in 1999. Thus, Movant is very familiar with the HECO Companies facilities and Operations and the Hawaii Energy Community.

⁹ Apollo Energy owned and operated the Kamao'a Wind Farm located in at South Point Area on the Island of Hawaii since 1994.

its principals have a long history and commitment of bringing renewable wind energy to Hawaii.¹⁰ Therefore, as an active Intervenor, Movant will be able to assist the Commission in formulating its decisions in a timely, just and reasonable manner. Moreover, Movant seeks to ensure a comprehensive examination of the issues involved in this Docket is made in order to meet the objectives of the historic Comprehensive Agreement.

10. Movant's Interests Compared to the General Public.

The Movant has unique property and financial interests, and an intimate knowledge of being a QF providing renewable wind energy to HELCO under its RAC since 2007. Furthermore, its principals have been involved with the renewable wind energy community in Hawaii since 1983. None of these attributes of Movant is shared by the general public.

11. Movant's Position.

Movant as a QF providing renewable wind energy to HELCO has vital property and financial interests requiring it be made a party in this Docket. Exclusion of Movant from participation herein would deny it of its substantive due process rights. Additionally, the ability of Movant to continue to provide renewable wind energy to HELCO and jobs to its employees on the Big Island depends upon the specifics formulated into the Decoupling Mechanism in order that it receive a fair and reasonable rate for its renewable wind energy, and an opportunity to be heard when government agencies take actions that may adversely affect its property and financial rights. Although "Decoupling, as asserted by its proponents, has the benefits of encouraging the substitution of renewable resources, distributed generation and energy efficiency for the utility's fossil fuels production (by reducing a utility's disincentive to promote these types of resources

¹⁰ The principals of both Movant and Apollo Energy were involved with the prior owners of the Kamao'a Wind Farm since 1983.

and programs), while simultaneously protecting a utility's financial health from erosion as these types of programs go into effect"¹¹, it is essential that Movant be allowed to intervene as a party in this Docket to ensure that the IPPs' interests are adequately protected and represented.

Alternatively, if the Commission is not inclined to grant Movant intervenor status, Movant respectfully moves the Commission to at least grant it Participant status and permit it to submit Position Statements and/or Testimony.

Movant does not request a hearing on this Motion.

CONCLUSION

WHEREFORE, Movant respectfully moves the Commission to grant its Motion to Intervene, or, alternatively, to grant it Participant status and permit it to submit Position Statements and/or Testimony.

DATED: Honolulu, Hawaii, November 17, 2008.


SANDRA-ANN Y.H. WONG,
HARLAN Y. KIMURA

Attorneys for Movant
Tawhiri Power LLC

¹¹ See, Order Initiating Investigation, *supra* note 1, at 2-3.

STATE OF HAWAII)
) ss
CITY AND COUNTY OF HONOLULU)

1. I am one (1) of the attorneys of record for Movant Tawhiri Power LLC herein and made this declaration based upon personal knowledge gained in that capacity.

I, HARLAN Y. KIMURA, do declare under penalty of law that the foregoing is true and correct.

HARLAN Y. KIMURA

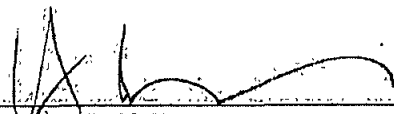
VERIFICATION

STATE OF CALIFORNIA)

) SS:

COUNTY OF SAN MATEO)

Anthony B. Pace, being first duly sworn, deposes and says: I am the Chief Executive Officer of Apollo Energy Corp. and Apollo Energy Corp. is the Managing Member of Tawhiri Power, LLC; that I have read the foregoing Motion to Intervene and that the same are true and correct to the best of my knowledge and that I have the authority to sign on behalf of Tawhiri Power, LLC.



ANTHONY B. PACE

Subscribed and sworn to before me.

This 17TH day of NOVEMBER, 2008



Name of Notary Public:

Notary Public, State of California:

My commission expires: OCT. 15, 2009



CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Motion to Intervene was duly served on each of the following parties via hand delivery or United States Mail, postage prepaid, as set forth below:

CATHERINE P. AWAKUNI
EXECUTIVE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
335 Merchant Street
Room 326
Honolulu, Hawaii 96813

(Via hand-delivery)
(2 Copies)

DARCY L. ENDO-OMOTO
VICE PRESIDENT
GOVERNMENT AND COMMUNITY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P.O. Box 2750
Honolulu, HI 96840-0001

DEAN MATSUURA
MANAGER
REGULATORY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P.O. Box 2750
Honolulu, HI 96840-0001

JAY IGNACIO
PRESIDENT
HAWAII ELECTRIC LIGHT COMPANY, INC.
P.O. Box 1027
Hilo, HI 96721-1027

EDWARD L. REINHARDT
PRESIDENT
MAUI ELECTRIC COMPANY, LTD.
P.O. Box 398
Kahului, Maui, HI 96732


THOMAS W. WILLIAMS, JR., ESQ.
PETER Y. KIKUTA, ESQ.
GOODSILL ANDERSON QUINN & STIFEL LLC
1099 Alakea Street, Ste. 1800
Honolulu, HI 96813

RANDALL J. HEE, P.E.
President and Chief Executive Officer
Kauai Island Utility Cooperative
4463 Pahee Street, Suite 1
Lihue, Kauai, HI 96766-2000

TIMOTHY BLUME
MICHAEL YAMANE
KAUAI ISLAND UTILITY COOPERATIVE
4463 Pahee Street, Ste. 1
Lihue, Kauai, HI 96766-2000

KENT D. MORIHARA, ESQ.
KRIS N. NAKAGAWA, ESQ.
RHONDA L. CHING, ESQ.
MORIHARA LAU & FONG LLP
841 Bishop Street, Suite 400
Honolulu, HI 96813

DATED: Honolulu, Hawaii, November 17, 2008.



SANDRA-ANN Y.H. WONG
HARLAN Y. KIMURA

Attorneys for Movant
Tawhiri Power LLC